

ANNUAL EFFICIENCY STATEMENT 2011-12

1. INTRODUCTION

- 1.1 The Council's Annual Efficiency Statement 2011-12 is attached as an appendix to this report.

2. RECOMMENDATIONS

- 2.1 Members to note the contents of the Annual Efficiency Statement for 2011-12.

3. DETAIL

- 3.1 For 2011-12, the Scottish Government expects every public body to deliver efficiency savings of at least 3% and to report publicly on the actions undertaken and the results achieved. Council's must publish and Annual Efficiency Statement each year. The draft Annual Efficiency Statement is attached as an appendix to this report and has been prepared in accordance with the guidance issued by COSLA.
- 3.2 Scottish Councils have a strong track record of achieving and reporting on efficiencies and have exceeded previous national targets, though it is recognised that efficiencies will be increasingly hard to come by without fundamental reform to the way Council's deliver services. The Government has simplified its definition of efficiency which now states: "Where a body manages to deliver services or functions that can be shown to result in a broadly similar (or improved) level of outcome or output for a lower unit input than previously, an efficiency saving has been made".
- 3.3 The 3% efficiency savings are calculated based on departmental expenditure limit (DEL). Income from Non-Domestic Rates (NDR) is annually managed expenditure so falls outwith DEL. The Scottish Government funding for the Council for 2011-12 was £211.975m. The NDR element of the funding amounted to £25.582m giving funding excluding NDR of £186.393m. This gives rise to a 3% efficiency savings target of £5.592m. The total efficiency saving achieved for 2011-12 was £8.472m as outlined in the attached statement.
- 3.4 Arrangements continue to be in place to monitor and report on progress with efficiency savings through the Planning and Performance Management Framework and Performance Scorecards.
- 3.5 The Council have exceeded the 3% efficiency savings that are expected by the Scottish Government for 2011-12. The budget proposals agreed in February for 2012-13 should deliver the efficiency savings required for 2012-13 and these will continue to be monitored throughout the financial year.

Bruce West
Head of Strategic Finance
15 June 2012

APPENDIX

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2011-12

1	Local Authority Name	Argyll and Bute Council
2	Total cash efficiency achieved for 2011-12 £'000	£8,472,000
3	<p>Summary of efficiency activity e.g.</p> <p>The main initiatives the local authority has taken over the year to ensure a strategic approach to increased efficiency and productivity and the improvements achieved in these areas.</p> <p>The main information that the local authority uses to assess productivity, service quality and performance and how the scope, usefulness or reliability has been improved during the year.</p> <p>Specific steps the local authority has taken during the year to improve collaboration and joint working to deliver efficient and user-focussed services and the improvements achieved.</p>	<p>During 2009-10 the Council commenced a programme of service reviews designed to look radically at each service of the Council over a three year period with a target for services to identify options to reduce costs by 15-20%. The reviews have looked at performance and the cost base of the service area and have also looked at benchmarks to identify opportunities to reduce cost (and improve performance). The services included within Phase 2 of the programme, giving rise to savings within 2011-12 were Children and Families, Leisure, School and Public Transport, Catering Cleaning and Janitorial, Economic Development, Roads, Waste, Education and Governance and Law.</p> <p>Efficiency savings have been achieved from the Council's customer management project in respect of channel shift - customers using our online services more instead of telephone or face to face contact. Savings have been calculated based on a number of web self service transactions that would have prevented a face to face or telephone contact or a back office administration resource.</p> <p>A number of procurement activities have given rise to efficiency savings during 2011-12, for example, water utility, stationery and postage, protective clothing, advertising, insurance and others.</p> <p>Preliminary work has been undertaken on reviewing the offices and depots with a view to rationalising the number of Council assets to better align with its business needs and also to consider sharing services with other Community Planning partners. The preliminary work has been concluded and it is anticipated that savings will be available from 2012-13 onwards.</p> <p>The Council have a Planning and Performance Management Framework which is outcome based. Each Council service has their own</p>

		<p>performance scorecard measuring their service outcomes, which link to the Council's corporate outcomes. Each service performance scorecard is monitored a monthly basis at service team meetings and over 2011-12 the departmental scorecards have been subject to Member scrutiny at quarterly Executive meetings.</p>
<p>4</p>	<p>Breakdown of efficiency saving by Procurement, Shared Services or Asset Management £'000 (only where relevant – not all efficiencies will fall into these categories, so the figures here do not have to match the overall total.</p>	<p>Procurement = £874,000 In addition to the procurement savings of £874,000 the Council is continuing to develop its procurement and commissioning function increasing its score for the Procurement Capability Assessment.</p> <p>Shared Services = Shared Services and joint working continue to be considered with other Councils and across Community Planning Partners.</p> <p>Asset Management = The Council continues to explore opportunities to rationalise its asset based on its own and with Community Planning Partners. This is supported by the Process for Change Workforce Deployment Project and includes projects such as Helensburgh Office Rationalisation.</p>
<p>5</p>	<p>Evidence: What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?</p>	<p>A high level approach to verifying performance has been taken using the service outcomes on the service performance scorecards. A snapshot of the service outcomes has been taken at March 2012. The service outcomes are measured using the key success measures for ongoing service delivery in important areas of the Councils business. On this basis they can be assumed to represent quality and delivery in key service areas. The service outcomes are classified as red or green where green represents on target and red is off target. If the service outcomes are predominately classed as green then this indicates the standards for service quality and delivery are being achieved.</p> <p>As at March 2012, out of 95 service outcomes, 59 were green and 10 were red. This indicates that service quality is at the standards specified in the service plan and on this basis the efficiency savings have not had a negative impact on service delivery.</p>

		<p>Within the annual Assurance and Improvement Update 2012-15, there are a total of 40 risks areas, both national and local. For Argyll and Bute Council, 34 of these are no significant risk with 5 areas of uncertainty and 1 significant risk. In looking specifically at local risks, there is a reduction in the level of risk between 2010 and 2012. In 2010 there were 12 areas of uncertainty, in 2011 there were 7 areas of uncertainty and in 2012 there are only 3 areas of uncertainty.</p>
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Signed (Chief Executive or equivalent)

Signed (if applicable)..... (Council Leader or equivalent)

Date